

Part 2A of Form ADV: *Firm Brochure*



Todd Asset Management LLC

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This brochure provides information about the qualifications and business practices of Todd Asset Management LLC (TAM). If you have any questions about the contents of this brochure, please contact us at (502) 585-3121. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Todd Asset Management LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information to help you determine to hire or retain an adviser.

Additional information about Todd Asset Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 109473.

Item 2 Material Changes

This Firm Brochure, dated March 25, 2021, provides you with a summary of Todd Asset Management LLC's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and /or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates - any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

Since our last annual update of this Firm Brochure dated March 19, 2020, the following material no material changes have been made.

Item 7 Types of Clients - We have removed language regarding certain trading practices in which TAM, acting as sub-adviser, would send trades to the adviser's trade desk for execution. This change was necessary as these trades are executed along with other TAM trades as described in Item 12 of this Brochure.

Item 13 Review of Accounts – We have added a new member to the Investment team.

Item 17 Voting Client Securities – We clarified language on TAM's responsibility in voting proxies on behalf of our clients. We added language on how TAM will handle legal proceedings involving companies whose securities are held in client's account(s).

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Item 4 Advisory Business

Todd Asset Management LLC, formerly Todd-Veredus Asset Management LLC, is a registered investment adviser, which began operations on June 1, 1998 as Veredus Asset Management LLC (VAM or Veredus). Effective May 1, 2009, VAM combined with Todd Investment Advisors, Inc. (TIA or Todd) through a series of transactions in which VAM acquired substantially all of the assets and identified liabilities of TIA in exchange for 45% of the equity units of VAM. TIA was a registered investment advisor which began in May of 1979. TIA was a successor firm to the Todd-Boston Company, an investment counseling firm founded by Bosworth M. Todd in 1967. Upon the combination of VAM and TIA in 2009, Veredus Asset Management LLC changed its name to Todd-Veredus Asset Management LLC (TVAM).

On February 28, 2013, after a change in ownership involving the redemption of units held by individuals supporting the growth products founded under VAM, TVAM changed its name to Todd Asset Management LLC (TAM). TAM continues to offer products and strategies managed by individuals and using the intrinsic value process founded under TIA.

The management team of TAM holds 83% of the total units of the firm, the remaining 17% is held by private investors. Curtiss M. Scott Jr., President and Chief Investment Officer, owns greater than 25% of the total units of the firm. See Item 10 for affiliations.

Our firm provides continuous advice to clients regarding the investment of assets based on the investment objectives established by the client. Individualized investment management services will help our institutional and individual investors select one or more of TAM's various investment strategies. Generally we manage these advisory accounts on a discretionary basis. TAM serves as a Sub-Advisor for other Investment Advisors. In this case TAM may or may not have a direct relationship with an investor.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Tax considerations may also come into play as part of the management process. More information on these products and investment strategies can be found in Item 8 of this Brochure.

TAM also provides discretionary investment management services, using its various products, to clients as part of Separately Managed Account Program (SMA) platforms, and non-discretionary investment management service by providing a Model portfolio to clients (UMA). With some SMA or UMA programs, TAM has entered into an agreement with a wholesaler to provide operational, marketing or other services to the Program sponsor.

Further information on the types of clients of the firm can be found in item 7 of this Brochure

Please refer to Item 5 of this Brochure for potential fees.

Types of investments which can be used as part of the products' philosophy include:

- Exchange-listed securities
- Securities traded over-the-counter
- American Depositary Receipts (ADR)
- Global Depositary Receipts (GDR)
- Foreign issuers
- Exchange Traded Funds
- Exchange Traded Notes

- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable annuities
- Mutual fund shares
- United States governmental securities

Because some types of investments involve certain additional degrees of risk, they will only be utilized/recommended when consistent with the client's stated investment objectives, tolerance for risk, and liquidity needs.

AMOUNT OF MANAGED ASSETS

As of December 31, 2020, we were actively managing \$3,862,397,149 of clients' assets on a discretionary basis. Assets managed by others using a Model portfolio provided by TAM, which follows one of the strategies discussed in Item 8, are approximately \$780,341,000 as of the same date.

Item 5 Fees and Compensation

On a case-by-case basis, Todd Asset Management LLC determines an appropriate fee structure based on the size, complexity and investment objectives of the client's account. Fee arrangements typically include a management fee based on a percentage of assets under management. The terms and conditions of the fee structure are mutually agreed upon prior to entering into an advisory agreement.

The basic fee schedules and basis of computation for investment management services are given below. Fees are generally calculated quarterly, and are payable, either in advance based on the value of the account as of the beginning of each billing period, or in arrears based on the value of the account at the end of the billing period. Clients may elect to be billed directly for fees or to authorize TAM to directly debit fees from the client accounts. TAM may also provide services on a fixed fee basis. The Account Management Fee is prorated for periods less than a full billing cycle and adjusted to cover any additional contributions or withdrawals made during the billing cycle. To the extent that fees have been paid in advance of the date of termination, they are refunded automatically on a pro rata basis.

<u>Strategy</u>	<u>Annual Fee</u>
Large Cap Intrinsic Value	0.60% of all assets in the account
International Intrinsic Value	0.80% of all assets in the account
Intrinsic Value Opportunity	0.80% of all assets in the account
Global Intrinsic Value Equity Income	0.60% of all assets in the account
International Intrinsic Value Opportunity	0.80% of all assets in the account
Balanced	0.50% on the first \$10 million

	0.35% of all assets in excess of \$10 million
Individual Taxable (equity and balanced)	0.75% on the first \$1 million
	0.50% on all assets in excess of \$1 million

Prior to July 21, 2010 some of the strategies listed above had minimum annual fees as part of the standard fee schedule. These minimums are no longer part of the current standard fee schedule. The Intrinsic Value Opportunity and Individual Taxable (equity and balanced) fee schedules included a \$10,000 minimum annual fee. The Large Cap Intrinsic Value, and Balanced fee schedules included a \$15,000 minimum annual fee. The International Intrinsic Value fee schedule included a \$40,000 minimum annual fee.

Separately Managed Account Programs (Wrap Fee Programs)

TAM's management fee schedule for managing assets in SMA or Wrap programs varies from 0.40% to 0.65% of assets under management. The highest all inclusive (TAM and sponsoring broker) management fee to a client is 3.0%.

Sub-Advisory Services

TAM serves as Sub-Adviser to other advisers. Fees for these accounts are negotiated.

Collective Investment Funds

TAM serves as Adviser for a Collective Investment Fund within the Hand Composite Employee Benefit Trust sponsored by Hand Benefits & Trust Company. The Fund could offer various share classes. Depending on the share class purchased, TAM may receive an annual management fee of 0.60%. One share class does not have an internal management fee payable to TAM, in this case TAM will bill the client based on a negotiated management fee as detailed in an investment advisory agreement between the client and TAM. TAM has agreed to reimburse the Fund when overall expenses, which includes trustee, custodian, administrative and audit, are above 0.15% when management fee is billed internally and 0.75% when the management fee is paid by the Fund.

Model Portfolio

For accounts in which TAM provides a model portfolio or buy/sell lists, it charges a fee from 0.25% to 0.65% of all assets under management under the model. In these accounts TAM may or may not have investment discretion over the client accounts. It is possible additional fees may be charged to the end client by those receiving TAM's model.

Use of Mutual Funds

TAM may utilize mutual funds for its clients to achieve certain specific investment objectives that it cannot achieve efficiently through direct investments on its own. In such cases, the client will incur a layer of fees which generally include a management fee, other fund expenses, and a possible distribution fee, in addition to the management fee charged by TAM. These fund fees and expenses are described in each fund's prospectus. If TAM is the sub adviser for a mutual fund used, the mutual fund would be excluded from the account assets for fee purpose so as to not double dip on Advisory fees. In no case does the mutual fund rebate any fee to TAM.

GENERAL INFORMATION

Limited Negotiability of Advisory Fees: Although TAM has established the aforementioned fee schedules, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and client reporting needs, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to officers and employees, family members and friends of associated persons of our firm.

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Specific termination clauses are part of the investment management agreement. As disclosed above, certain fees may be paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Wrap Fee Programs and Separately Managed Account Fees: TAM does not sponsor wrap fee programs, it does provide advisory services to individual clients in connection with third-party wrap fee programs. In a wrap fee or separately managed account program, clients pay a single fee for advisory, brokerage and custodial services. This fee includes the management fee paid to TAM as noted above. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which TAM effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Brochure for additional information.

ERISA Accounts: TAM is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, TAM may only charge fees for investment advice about products for which our firm does not receive any commissions or distribution or shareholder servicing fees pursuant to rule 12b-1 under the Investment Company Act of 1940 as amended.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of

fees in excess of \$1,200 more than six months in advance of services rendered.

Item 6 Performance-Based Fees and Side-By-Side Management

PERFORMANCE-BASED FEES

TAM does not offer nor manage accounts with performance based fee schedule.

Item 7 Types of Clients

TAM provides advisory services to individuals, high net worth individuals, collective investment funds, pension and profit sharing plans (other than plan participants), Taft-Hartley plans, other pooled investment vehicles, charitable organizations, state or municipal government entities, banks or thrift institutions, and corporations or other businesses not listed previously.

TAM generally provides investment management services to accounts of at least \$5 million. TAM reserves the right to waive or lower the minimum account requirement on a client-by-client basis. We may group certain related client accounts for the purposes of achieving the minimum account requirement and in determining the annualized fee.

TAM also serves as an investment sub-adviser to other investment advisers for various investment strategies.

Certain of TAM's discretionary account clients use an internal trade desk to execute the trades indicated to them by the Firm. See Item 12 Brokerage Practices for additional information regarding trade practices.

TAM serves as an investment adviser for a collective investment fund using the International Intrinsic Value strategy.

TAM offers investment advisory services on a discretionary basis to clients of Separately Managed Account sponsors (SMA or wrap accounts). In this case, TAM is included in a list of managers that may be recommended by the brokerage firm/SMA sponsor. Under these programs, the sponsor offers investment management, custody, brokerage, and performance monitoring for a set fee (some bundled and some unbundled). TAM is paid an advisory fee by the sponsor from the overall wrap fee as determined per agreement with the sponsor. As discussed in Item 12 of this document, TAM will generally execute trades for the Accounts thru the sponsoring broker. These trades will most likely be executed at times when TAM is executing trades for Institutional clients. For some Sponsors, TAM will provide the product's model to a third party or the Sponsor and these parties will execute recommended trades. Although the sponsor is the primary contact for clients, TAM is available for discussions with the client at the client's request.

TAM provides investment management services to clients using a Model portfolio of one or more investment products. In some cases the Model will be provided to a bank, trust company, or other advisor for use in its management of assets. For these accounts TAM is not responsible for trade execution, timing of trade placement, brokerage selection, negotiation of commission or other fees paid by investors in the program. TAM will update the model provided once a change has been made to the holdings of an investment product. It is up to the UMA platform how these updates are executed across its client base invested in

a product. It is possible a UMA platform is executing trades on behalf of its client base at the same time TAM is executing trades for institutional or SMA platforms. Please see Item 12 for additional discussions regarding TAM's brokerage and trading practices.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Multi-factor Analysis. We use various combinations of valuations measures, indications of fundamental strength and technical measures to assess the probability of securities likelihood of outperforming the market in the future.

A risk in using multi-factor analysis is that the models used may be based on assumptions that prove to be incorrect.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk is using qualitative analysis is that our subjective judgment may prove incorrect.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in different market cycles in an attempt to predict

the price movement of the security.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest effectively over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We may use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued or have underappreciated earnings potential, and/or
- we want exposure to a particular sector over time, regardless of the current projection for this sector.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and

will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

American Depositary Receipts. TAM may use dollar denominated instruments issued by a U.S. bank representing ownership in a foreign security (American Depositary Receipts, Global Depositary Receipts, or similar securities; collectively, “ADRs”) in various investment products offered by TAM. They trade in U.S. dollars and clear through U.S. settlement systems. ADRs are exposed to the risks associated with investing in foreign securities, including political, economic or social instability, confiscation of property and, reduced legal protection, as well as adverse changes in currency exchange rates.

In some cases certain ADR securities may not have adequate trade volume to meet all TAM's trade execution needs. This may create a liquidity risk. In situations where TAM believes the share volume is not sufficient for it to trade an ADR security for clients on the domestic market without moving the market for an ADR security, TAM will execute the trade with select brokerage firms, whereby the broker will purchase/sell the ordinary shares of the security (not an ADR) on the applicable foreign market. The broker will then convert the trade back into dollar denominated shares. If TAM is purchasing shares, the broker will go to the foreign market for the stock, purchase the shares using foreign currency and then convert the ordinary shares back to ADR shares. If selling shares, the ADR shares are converted to ordinary shares, and sold on the ordinary market with the foreign cash converted back to U.S. dollars. During the conversion process there is additional risk that the exchange between the currencies will not be done at favorable rates (or that the currency markets may move the wrong way). TAM does not attempt to hedge this risk. These liquidity issues may add additional risk to ADRs not typically associated with investing in U.S. companies. Please see Item 12 Brokerage Practices for additional information on ADR conversions.

General Risk. Securities investments are not guaranteed and you may lose money on your investments. There can be no assurance that the investment objective of the philosophy will be achieved. When there is no willing buyer and investments cannot be readily sold at the desired time or price, an account may need to accept a lower price or may not be able to sell the security at all. This liquidity risk can adversely affect a client's account value or prevent the account from being able to take advantage of other investment opportunities.

Following is the basic investment philosophy for TAM

We believe Price to Intrinsic Value is the most effective fundamental calculation available to determine the true worth of a stock. This calculation has been used by the Intrinsic Value team since 1986 and is used in the management of our Domestic, International, Opportunity, and the Global Equity Income products. All of our products focus on an experienced group of portfolio managers buying stocks with attractive valuations in the expectation of realizing that value because of fundamental developments and better market acceptance. Price to Intrinsic Value measures the price a private market buyer would be willing to pay for a given stock, and has been proven to work both in the stock market and in merger and acquisition valuations. Simply put, the intrinsic value of a stock is the present value of all future cash flows, and it is a calculation that has been used in financial circles since the first dividend discount model was introduced in 1938. Price to intrinsic value compares the market price to the intrinsic value, and allows skilled portfolio managers to compare companies across the full spectrum of stocks available for investment. Other valuation measures tend to have biases for or against certain groups, limiting the diversification possibilities for their portfolios.

While valuation is central to our philosophy, common sense dictates that it must be corroborated by company fundamentals and market acceptance. Valuable stocks can become value traps if a company's fundamental prospects do not support that value, or if the market chooses to ignore the valuation and fundamentals because of some other concern. We believe the combination of good valuation factors with positive fundamental prospects and market recognition of both of those elements provides the first step of a process that allows experienced portfolio managers to review a group of stocks with the potential of out performance. Combining value, fundamental and technical disciplines is what we do in all of our products because the more indicators that point in the direction of a stock being valuable and having that value recognized, the higher your potential of outperforming the market.

Experienced management sharing a common set of core beliefs and having the ability to recognize the underlying drivers for growth and value in individual stocks are the centerpiece of our strategies. We couple this with sell disciplines based on valuation and fundamentals for all of our strategies to limit the risks inherent in stock selection. We also maintain diversification requirements in our Large Cap Intrinsic Value and International Intrinsic Value strategies to ensure it is our stock selection that is providing the most value to clients. Our Opportunity strategies are unconstrained and will allow for more sector concentration in its pursuit of value. Our Global Equity Income strategy is a diversified product focusing on equity income.

Following are various products offered by TAM

LARGE CAP INTRINSIC VALUE

The objective of the Large Cap Intrinsic Value product is to achieve competitive investment returns by purchasing equity securities of companies that are attractively priced and with positive fundamental and market acceptance characteristics. Primarily domestic equity securities are selected that also have a minimum market capitalization of \$1 billion and an internal quality rating of B- or better. A review of an invested security would be initiated when there is a deterioration of fundamental criteria or the target sell price is reached. Prior to March 2010, this product was known as the Relative Value Equity product. No change in the strategy was made in conjunction with the name change.

INTERNATIONAL INTRINSIC VALUE

The International Intrinsic Value strategy is a direct extension of our Price to Intrinsic Value methodology. We screen for U.S. traded securities of internationally domiciled companies that possess attractive valuation, positive and improving fundamentals and market acceptance of these factors. We then formulate a portfolio of securities with a market capitalization greater than \$1 billion with the above factors that can force recognition by the market of the intrinsic value. Our portfolio team maintains an active database of over 800 securities that are subjected to this methodology and reviewed regularly for purchase or sale candidates. Prior to March 2010, this product was known as the International Equity product. No change in the strategy was made in conjunction with the name change.

INTRINSIC VALUE OPPORTUNITY

The Intrinsic Value Opportunity strategy employs our core Price to Intrinsic Value discipline to manage a portfolio using a rules based process. We use the S&P 500 as the source for our

stocks in the fund, and screen for the most attractively valued names in that universe. This first screen results in a pool of about 165 stocks that we use as our base group. We then screen for those stocks that have one of three additional qualities, market acceptance (as measured by technical indicators), balance sheet strength (financial ratio oriented to measuring return to shareholder) or income statement strength (as measured by ratio of profitability). Once we have our list of companies with these attributes, we review the inputs into each component of the screen to ensure their accuracy. The portfolio is rebalanced every 3 months and typically results in approximately 30 holdings. It is not required to be diversified by sector, and should be considered a more sector concentrated, aggressive application of the price to intrinsic value discipline. A version of this strategy investing in the top 15 holdings is used by officers and employees of TAM for individual accounts. See Item 11 for more information on personal security transactions and the Code of Ethics.

INTERNATIONAL INTRINSIC VALUE OPPORTUNITY

The International Intrinsic Value Opportunity strategy employs our core Price to Intrinsic Value discipline to manage a portfolio using a rules based process. We use the largest 400 U.S traded securities of Internationally domiciled companies in our Master List as the source for our stocks in the fund, and screen for the most attractively valued names in that universe. This first screen results in a pool of about 134 stocks that we use as our base group. We then screen for those stocks that have one of three additional qualities, market acceptance (as measured by technical indicators), balance sheet strength (financial ratio oriented to measuring return to shareholder) or income statement strength (as measured by ratio of profitability). Once we have our list of companies with these attributes, we review the inputs into each component of the screen to ensure their accuracy. The portfolio is rebalanced every 3 months and typically results in approximately 30 holdings. It is not required to be diversified by sector, and should be considered a more sector concentrated, aggressive application of the price to intrinsic value discipline.

GLOBAL INTRINSIC VALUE EQUITY INCOME

The primary investment objective of this fund is to provide dividend income with a secondary objective being growth of income and capital appreciation. Investors should expect to receive an above average portion of their total return in the form of dividend income. Total return will be a consideration, but will not be the main focus. The portfolio will be made up of both domestic and international large capitalized stocks with an internal quality rating of B- or better. The goal is to create a portfolio that achieves a yield that is at least 30% greater than Morgan Stanley's All Country World Index (ACWI) benchmark in companies with strong balance sheets and reasonable payout ratios.

BALANCED PRODUCT

The objective of the balanced product is to make active asset allocation decisions that blend equity, fixed income, and cash equivalent securities to achieve stability of principal while earning competitive rates of return. We diversify exposure among asset classes in an attempt to reduce investment risk and decrease portfolio volatility. To formulate what we think is the optimum mix of securities; we analyze present economic data, interest rate trends, and stock market levels. Our flexible approach allows us to structure a balanced portfolio to meet the specific and unique parameters defined by each of our clients. In some cases the fixed income portion of this product may utilize a sub-adviser.

TAXABLE PRODUCT

The objective of the taxable (typically balanced) product is to provide guidance on asset allocation decisions as well as competitive returns in both the equity and fixed income (typically municipal) markets.

TAM provides management services using a fixed income strategy. We may use Sub-Adviser, or in some cases mutual funds to manage the fixed income allocation. In the event a Sub Adviser is used, TAM monitors the performance of the Sub-Adviser as well as their economic outlook along with the Sub-Adviser's fixed income sector allocations.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Todd Asset Management LLC has no financial industry affiliations.

TAM endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest:
- we periodically monitor outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we discuss with our employees the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

TAM has adopted a Code of Ethics for the purpose of instructing all employees and officers in their ethical obligations and to provide rules for their personal securities transactions. All officers and employees owe a fiduciary duty to the Adviser's Clients. A fiduciary duty means a duty of loyalty, fairness and good faith towards Clients, and the obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code. Officers and employees shall have the duty at all times to place the interests of the clients, for which TAM acts as investment adviser, ahead of their own interests. All personal securities transactions of such individuals shall be conducted in such a manner as to avoid any actual or potential conflict of interest, or any abuse of such individual's position of trust and responsibility to TAM and its clients. All activities of personnel associated with TAM shall be conducted in accordance with the fundamental standard that they shall not take any inappropriate advantage of their positions with TAM in accordance with TAM's Code of Ethics.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's officers and employees. Our Code of Ethics also requires a covered associate to pre clear certain transactions with the Chief Compliance Officer prior to entering the transaction. These transactions include certain equity transactions as well as investments in a limited offering (e.g., private placement) or an initial public offering. The Code of Ethics contains a black out period on certain security transactions of 3 trading days on either side of the trade. If a transaction, not exempt by definition of the Code, is made in a restricted security during the blackout period an individual may be asked to either unwind the trade or disgorge any profit. This is assuming the individual's execution on the trade is better than that of a client's Account. Provided the Code of Ethics is followed, officers and employees may buy or sell securities which TAM executed for investment clients. Officer and employee security transactions can be executed along with those of a client's Account (following trade allocation procedures discussed in Item 12), if the individual has placed investment funds with an independent custodian for the purpose of investing in one of the investment strategies discussed in Item 8.

Todd Asset Management LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. The Code of Ethics also has limits on the acceptance or provision of gifts, favors, or entertainment that could influence their decision making capacity.

These trading restrictions are disclosed in TAM's Code of Ethics covering all employees of TAM. A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by emailing James Jenkins at jjenkins@toddasasset.com or by calling us at (502) 585-3121.

Through the Code of Ethics as well as trading review and other compliance procedures TAM has put in place, it feels it has developed adequate controls to address all conflicts on trading both for the accounts with performance and employees.

Item 12 Brokerage Practices

For clients who ask TAM to select broker-dealers for account transactions, we obtain written authority to determine the broker-dealer to use, and the commission costs that will be charged these clients for these transactions. This is generally part of the agreed upon Investment Management Agreement signed by TAM and the client. Clients may include any limitations on this discretionary authority either as part of the Investment Management Agreement or in a separate written statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

TAM will endeavor to select those broker-dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help TAM in providing investment management services to clients.

TAM may direct brokerage transactions for clients' portfolios to brokers who provide research

and execution services to TAM and, indirectly, to TAM's clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the client (and done at our discretion). This act may cause the client account to pay more than the lowest available commission for executing a securities trade in return for research services. These payments above the lowest available commission are commonly referred to as "soft dollars". Research services obtained through the use of soft dollars may be developed by brokers to whom brokerage is directed or by third-parties (examples of such products are detailed later in this section) who are compensated by the broker. TAM does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients. TAM may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers we select may be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if TAM determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to client accounts.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research services. The cost of such "mixed-use" products or services will be fairly allocated and TAM makes a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portions of the costs attributable to non-research usage of such products or services are paid by our firm to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

When TAM uses client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that we do not have to produce such products internally or compensate third-parties with our own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest, because we have an incentive to direct client brokerage to those brokers who provide research and services we utilize, even if these brokers do not offer the best price or commission rates for our clients.

Following are products and services TAM's management teams have obtained on a soft-dollar basis:

Research Provider	Description of Service
Bloomberg	Stock Research Service
NYSE/AMEX	Stock Research Service

If TAM believes that the purchase or sale of a security is in the best interest of more than one client, consistent with TAM's duty to obtain best execution for all clients, it may (but is not obligated to) aggregate the securities to be sold or purchased to obtain favorable execution or lower brokerage commissions, to the extent permitted by applicable laws and regulations. Aggregation should, on average, reduce slightly the costs of execution. Once a portfolio manager has determined an investment idea is suitable, trading will proceed for the client's account following normal trade procedures.

Where trades are aggregated, the transactions, as well as the expenses incurred in the transactions, will be allocated by TAM according to a policy designed to ensure that such allocation is equitable (no advisory client will be favored over any other client) and consistent with TAM's fiduciary duty to its clients (including its duty to obtain best execution of client trades). Pursuant to this policy, each client that participates in an aggregated order will participate at the average share price for all TAM's transactions in that security on a given business day, with transaction costs shared pro rata based on each client's participation in the transaction. The accounts aggregated may include accounts in which TAM's employees own interests. Before entering an aggregated order, TAM will prepare a written allocation statement specifying the participating client accounts and how it intends to allocate the order among such accounts. Under limited circumstances, TAM may allocate the order on a basis different from that specified in the allocation statement if all client accounts receive fair and equitable treatment.

A client may direct TAM to use a particular broker-dealer for all or a portion of its portfolio transactions. Also a client may use a particular broker-dealer as the account's custodian. In these cases the client authorizes TAM to effect all portfolio transactions at a commission rate agreed upon between the client and the broker-dealer. The client should consider whether such a designation may result in certain costs or disadvantages to the client. The client may pay higher commissions than it would if the client had not directed brokerage and may not receive best execution. Accordingly, the client should satisfy itself that the broker-dealer can provide adequate price and execution of most transactions. A client who directs the use of a broker-dealer may also be subject to certain disadvantages regarding allocation of new issues and aggregation of orders. In some situations, TAM may be in a better position to negotiate commissions if the brokerage were not directed.

While unlikely, it is possible a Client directing portfolio transactions could have its trade aggregated with trades of other clients, if the broker-dealer selected by TAM to execute the transaction allows the directed trade to be separated or 'stepped out'. In such cases, the client's directed broker-dealer will receive a pro rata share of the commission for the aggregated trade. If a directed brokerage client's trade is aggregated with other non-directed accounts, it is possible the directed client's account may have increased commission costs because the trade was executed away from its designated broker. This may occur when the directed broker is also serving as the custodian. It is TAM's general practice not to step out trades from a directed broker.

If TAM is directed to execute transactions through a particular broker-dealer, and the trade cannot be handled through a 'step-out' from an aggregated trade, the directed trade for a given security will be executed after the aggregated order for that security has been placed and completed. This could also affect the execution of the trade as the transaction price may differ from that achieved in the aggregated order. TAM will work through those trades directed by clients in a pre-determined rotation.

Certain discretionary clients have an internal trading desk responsible for executing trades for their account. At the time that TAM begins executing a particular aggregated order, TAM will provide such client's trade desk with the transaction type, the security to trade, and the shares to execute. The client's trade desk has control of when it begins executing trades. It is possible TAM and these client's trade desks are executing transactions in securities at the

same time or a client trade desk could wrap up trading in front of TAM executing its institutional trades. Depending on the volume in a particular security, this may impact some account executions. Upon executing the trades the client will provide TAM with all execution information for our records.

In effecting portfolio transactions for its SMA accounts, unless otherwise instructed by the client, TAM generally places all transactions with the sponsoring brokerage firm for execution and does not negotiate the commission rate, since this cost is included in the wrap fee. In some cases, the agreement between the client and broker may include commission fees, along with custody and investment management services in the broker's overall ("SMA") fee. In most cases, SMA account transactions will be executed after aggregated orders are complete for all securities. It is possible, but generally unlikely, that trades occurring in SMA programs may be aggregated with other trades executed by TAM. In the event a trade is aggregated, for the benefit of the client, transaction costs will be shared equally and on a pro-rated basis between all accounts included in the block trade. Generally an aggregated trade would not be traded with the SMA platform broker, which could increase an individual client's trade due to a trade away fee charged by the platform sponsor. TAM has a dedicated trade desk for the SMA platforms. SMA platforms will receive trades in a pre-determined rotation. Generally TAM will determine the type of trade as well as shares for each of the program accounts under TAM's management. In some cases a Plan Sponsor may generate the trades for accounts in its program. In this case TAM will update a model with the Plan Sponsor or selected administrator, who will then process trades for each account. It is possible trades could be sent to a platform sponsor for execution as TAM is executing trades for its institutional accounts, or other TAM clients are executing trades. This could impact the execution ability depending on the available trade volume in a specific security.

If TAM determines that orders for a sufficient percentage of the tickers in the aggregated trade have been completed and the other tickers are in the process of filling, TAM may, in its discretion, commence the rotation schedule for the SMA platforms for all tickers and commence the rotation schedule for those standard clients with directed brokerage for the tickers that are in the process of filling.

As previously mentioned, TAM has client relationships in which TAM provides and updates a model portfolio based on a selected investment strategy. These UMA platforms are notified contemporaneously with the processing of an aggregated order as changes are made to the holdings within a selected strategy. UMA platforms may have different notification methods, and TAM's UMA trade desk will work through these notifications on a pre-determined rotation. The platform has full discretion over the accounts invested in the selected strategy. In select platform relationships, TAM may have investment discretion. The platform also will determine if the investment change is suitable for the client, and if so execute the trade for the account. The trade notifications generally will go out as TAM is trading its discretionary accounts; thus it is possible a UMA platform could be executing trades for its clients at the same time. This could impact the overall execution ability depending on the available trade volume in a specific security.

With respect to all accounts, in certain instances where additional time is needed to analyze the effect of the trade on an account, such as to review suitability or consider tax effects, trading with respect to that account will be executed separately on a delayed basis after such analysis is complete.

As described above, TAM implements separate rotation schedules for SMA accounts, clients that direct brokerage, and the notification of UMA platforms regarding changes to the model portfolio. TAM does not implement a single firm-wide rotation for all clients, due to the differences among client types with respect to restrictions on broker selection.

As previously mentioned certain ADRs, may have limited trading volume on domestic exchanges such that TAM client trading activity may move the ADR market. Generally, when there is a liquidity issue in the ADR market for a security, the volume in the company's ordinary shares on a foreign exchange will be more than sufficient to meet TAM's demand. Accessing this additional liquidity in the foreign markets helps ensure trades are executed in a timely manner at the best price. Relying solely on domestic volume to execute large share trades could negatively impact all clients, as execution could take several days to complete and large swings in price could result from the influx of trade volume. TAM believes using a combination of the domestic market and the liquidity available on the foreign market helps get all accounts timely invested in the security.

To access foreign markets, TAM will use selected brokers to use an ADR conversion as described in Item 8 under American Depositary Receipts. When selecting brokers to execute ADR conversions, TAM considers the expertise of the broker, its ability to perform conversions, and trade costs. The broker will review the volumes and assist TAM in determining if the trades can execute on the domestic or foreign market. The broker will also determine if the ability to convert ordinary shares is available. If it is determined that attempting to trade in the ADR market will impact execution in a particular security, TAM will make an assessment whether an aggregated trade can be made for any smaller accounts on the domestic market without having a negative impact. If that is the case, the smaller account aggregated trade will be made on the domestic market and the other trades will be aggregated for trading on the applicable foreign market using the conversion process. If that is not the case, all trades for the security will be aggregated and made on the foreign market using the conversion process. As any ADR conversion trades are executed on a foreign exchange, the timing of the block trade will likely cause trades executed on the domestic market to trade ahead of the conversion block. Thus, institutional accounts that normally would trade first will not follow the standard rotation when a conversion is used. TAM will not hold up the smaller sized institutional accounts that are block traded on the ADR market, and TAM will not wait for the conversion block trade to be completed before beginning the rotations for directed brokerage and SMA accounts.

ADR conversions can involve various additional fees, including local stamp/taxes, local market fees, conversion fees, swap transaction fees, ADR cable fees and financing/settlement fees. Fees relating to acquiring or selling local currency also apply in the form of markups/markdowns. In practice, these fees can increase overall transaction costs by as much as 6 or 7 cents a share. Also there is the risk that currency fluctuation during a conversion will have an adverse effect. TAM does not attempt to hedge this additional currency risk.

In the event of a trade error, a client's account will not incur a loss from our error. In the event the error involves more than one security, any gains will be used to offset the losses. In this case the client's account will not incur a net loss from the errors.

In selecting brokers for investment company transactions, TAM will not take into account the broker's promotion or sale of shares of Funds advised by TAM and will not enter into any direct or indirect arrangement to direct portfolio securities transactions to a broker in consideration for the promotion or sale of shares of a Fund advised by TAM.

Item 13 Review of Accounts

The investment team consists of:

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|---|---------------------------|-------------------------------------|
| • | Curtiss M. Scott, Jr. CFA | President, Chief Investment Officer |
| • | John J. White CFA | Senior Portfolio Manager |
| • | John C. Holden CFA | Senior Portfolio Manager |
| • | Shaun C. Siers CFA | Portfolio Manager |
| • | Jeremy M. Roane CFA | Research Analyst |
| • | Travis Konermann | Research Analyst |

Mr. Scott, Mr. White, Mr. Holden, and Mr. Siers, form the investment committee that meets regularly to review market and client-related issues for the various investment strategies. On a daily basis, the portfolio managers evaluate the outlook for the stock and bond markets and make changes accordingly in their stock, bond and/or balanced accounts. Changes to Equity and Fixed Income are implemented across all accounts within each client's unique investment guidelines. New accounts may be assigned to one of the portfolio managers. While certain aspects of each account are reviewed on a daily basis, all accounts are scrutinized on a monthly basis by the entire Investment Committee.

In addition to monthly reviews, reviews are also made when requested by a client or when otherwise deemed appropriate by the Investment Committee or portfolio manager. Factors that may trigger a review include changes in general market or economic conditions, consideration as to the purchase or sale of a security for an account, changes in a client's personal situation, changes in the approved list, tax considerations, and other similar factors. Matters reviewed depend in large part on the reason for the review. A general review usually involves a review of a client's investment objectives, individual securities owned, income being earned by the account, concentration of the portfolio, and similar matters. The sequence in which accounts are reviewed is flexible and not fixed. Client account records are generated by computer record keeping systems maintained by TAM. This produces standard reports, usually on a quarterly basis (monthly if requested by client), which are used by the portfolio managers and also sent to clients. In addition, clients receive regular statements from custodians.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;

- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

TAM may also include incentives for new/retained business as part of the overall compensation package for certain internal individuals.

In accordance with SEC adopted Rule 206(4)-5 under the Investment Advisors Act of 1940 ("Pay to Play rules"), TAM prohibits payment to third party solicitors for soliciting a government entity on behalf of TAM, unless the third party is a registered investment adviser or registered broker-dealer subject to Pay to Play rules as discussed in the aforementioned SEC rule. TAM has adopted a Political Contribution policy which covers this activity as well as political contribution restrictions on certain Officers and Employees of TAM.

It is TAM's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm, may upon client approval, directly debit advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on either a monthly or quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

TAM usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, TAM observes the investment policies,

limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to TAM in writing. Clients may also change/amend such limitations by providing us with written instructions. We seek to manage client accounts consistent with the investment objective selected by the Client. At times Client imposed restrictions may impact an Account's ability to participate in certain aggregated trades which may disadvantage the account.

TAM has non-discretionary accounts, in this case we make recommendations to Clients regarding securities to purchase or sell. Generally this would be in the form of TAM providing client with a model portfolio for a specific investment product and providing ongoing changes to this model portfolio.

Item 17 Voting Client Securities

Proxy voting is an important right of shareholders and reasonable care and diligence must be taken to ensure that such rights are properly and timely exercised. When TAM is granted discretion by an advisory contract or comparable document to vote the proxies of its clients, it will vote those proxies in the best interest of its clients and in accordance with the policies and procedures set up by TAM. The client can instruct us to vote proxies according to a particular criteria. These requests must be made in writing. You may also instruct us on how to cast your vote in a particular proxy contest by contacting the proxy administrators noted below.

Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict. In an effort to assist TAM in researching, gathering information and voting client proxies, TAM has engaged the services of an independent third-party. For a more detailed description of TAM's Proxy voting policy or to determine how votes have been cast, please contact the proxy administrator, James Jenkins or Kathy Bell at (502) 585-3121 or by mail 101 S. Fifth Street Suite 3100, Louisville, KY 40202.

TAM will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18 Financial Information

As an advisory firm we are required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. TAM has no additional financial circumstances to report.